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Date: June 11, 2019
To: Members of the Board of Supervisors
From: Sheryl Bratton, County Administrator
Re: Recovery and Resiliency Fiscal Update

The County has experienced three federally declared disasters in the last two years. The response and recovery costs have put a strain on County revenues and staff resources. While these events are federally declared, costs are borne by the County until the Federal Emergency Management Agency (FEMA) claim documents are verified and approved releasing reimbursements to the County for those costs. Claims are not fully reimbursed until the projects close, which can take several years. After claims close, the Office of Inspector General will conduct their audit within three years of close out and may result in reimbursement amounts that are then clawed back from the County. Those three federally declared disasters include the January and February 2017 Floods, the October 2017 Wildfires, and the February 2019 Floods.

Disaster Impacts

January and February 2017 Floods

The 2017 flood events have no expedited funding requested. Debris removal has only been obligated for the first 30 days. Once debris costs are certified the County will submit for a large project close-out. Many large projects were only obligated for the initial geotechnical and/or design work. Additional obligations will be added once a repair method is determined. Work on these projects have been significantly impacted by geotechnical and design review, and environmental reviews. There have been significant delays due to the 2017 Sonoma Complex Fires and now the 2019 Storms and Flooding events.

October 2017 Wildfires

The County of Sonoma has submitted a claim to the Federal Emergency Management Agency (FEMA) totaling \$36 million; however, reimbursement depends upon the claim elements accepted by FEMA as well as the addition of costs that are still occurring in categories outside of the initial emergency response. Reimbursements from FEMA traditionally have a long life cycle. These

reimbursements are not included in the forecast or the recommended budget and any funds received, would be directed to the source that paid for the disaster related costs and fulfill any audit reserve requirements in the financial policies.¹ The General Fund Reserve has an assignment of \$3.9 million for the FEMA Audit Reserve to mitigate any negative finding(s) from the anticipated future Office of Inspector General (OIG) audit(s) of the County's FEMA claim. Reimbursements received in FY 2019-20 related to the General Fund will be recommended to backfill General Fund Reserves.

Currently, staff have begun the close-out process for law enforcement reimbursement (\$3.5M expected Q1). Staff have also nearly completed the reconciliation of all mutual aid assistance (3 out of 115 agencies remain). Time Extension letters have been filed for all projects requesting additional time (mainly TPW projects), and debris/tree removal project still pending approval (work has begun).

Roughly 90 miles of roads burned in areas of Sonoma County. County crews and contractors removed trees along roads that were an imminent threat to road users. The remaining trees were assessed to determine the level of damage they had suffered and the risk they posed to public safety if they were to fall into the public roadway. Trees identified as a risk to public safety were inventoried with GPS coordinates, tagged with a small metal plate, and categorized as presenting an "Extreme," "High," or "Moderate" risk level.

As of this writing, using the Roads division accumulated fund balance, Transportation and Public Works staff has recommended awarding a total of \$5.6 million for contract services that will remove hazardous trees on the County right-of-way damaged as a result of a disaster, and will also serve to implement emergency mitigation measure. The additional time extension to complete the work is intended to end on April 10, 2020. Reimbursement is expected for work performed exclusively on county right of away and completed before April 10, 2020. In sum, the County anticipates carrying 2.5% or about \$140,000 of the total \$5.6 million Hazardous Tree Removal project.

February 2019 Floods

In February 2019, there were severe storms causing extensive flooding. The County has received State California Disaster Assistance Act (CDAA) assistance. FEMA has approved California Office of Emergency Services' (CalOES) recommendation for a presidential declaration of the Sonoma County 2019 flood event. This federal declaration is only for Public Assistance. The County is now eligible for reimbursement of extraordinary emergency and response costs and damage repairs. Damage assessments have been estimated at over \$150 million in countywide flood damages, including damages to public and private property. There are at least \$20 million in damages to public property including debris removal, emergency protective measures, non-federal road and bridge systems, water control facilities, public buildings, public utilities, and park and recreational facilities. The bulk of the damage estimates – approximately \$18 million – are due to road damages.

¹ In June 2018, the Board of Supervisors updated the County's financial policies creating a FEMA Audit Reserve equal to 20% of the total claim in the funding source where expenses occurred to mitigate the Office of Inspector General audit, which could result in elements of the claim becoming de-obligated and would go back to the federal government. FEMA claims can extend more than 20 years as evidenced by the 1994 Northridge Earthquake claim closing within the last two years.

The Board appropriated \$2.5 million: \$250,000 from the Reinvestment and Revitalization fund; \$250,000 from the Transportation and Public Works Special Concession fund; \$125,000 from the Board of Supervisors' Contingency fund; and recognized \$1.87 million in revenue from the California Disaster Assistance Act (CDAA). These funding sources will be replenished from the FEMA disaster reimbursements of the 2019 Flood Events.

Hazard Mitigation Grant Program

On October 10, 2017 the Sonoma wildfires were declared a Presidential Disaster, and as a result they generated Federal Emergency Management Agency (FEMA) Hazard Mitigation Grant Program (HMGP) funding. The California Office of Emergency Services (CalOES) administers these federal funds to provide for the implementation of hazard mitigation projects. Immediately following the federal disaster declaration, the County Administrator's Office convened a Grant Steering Committee to identify and prioritize County recovery and risk reduction projects that could be eligible for public grant funding, specifically HMGP.

The Grant Steering Committee, led by the Office of Recovery and Resiliency, coordinated the submittal of 25 countywide funding applications, for a combined total project cost of \$44.4 million. Projects proposed reflect County leadership priorities, align with the goals and objectives in the County's Recovery and Resiliency Framework, and were designed to maximize local and state matching funding sources.

Of the 25 applications submitted, 18 have been recommended by CalOES for full FEMA funding, 6 are in various stages of the CalOES review process, and one has been waitlisted. Final decisions for applications in waitlist status are on hold until additional funds become available. The total project cost for the 18 proposals recommended for federal funding is \$32.6 million, with \$24.4 million provided by the grants, and \$8.2 million of required local cost share. Local cost share is a combination of the County's Recovery and Resiliency Set Aside Fund, state grant funding sources, landowner cost share and County departmental specified funds (i.e., Airport Enterprise Funds, Road Repair Funds, etc.). The estimate of General Fund (e.g., Recovery and Resiliency Set Aside) need for all of the 25 submitted applications is \$4.9 million, which includes program administration.

The Recovery and Resiliency Set Aside of \$8.5 million is comprised of the following:

- \$4.9 million local match and program administration costs for HMGP
- \$688,000 (new Learning Management Tool for disaster worker training and consultant support for Community Development Block Grant – Disaster Recovery funding)
- \$1.7 million for Information Systems Department recovery projects
- \$1.2 million available for other recovery and resiliency program change requests for the Board's consideration (See Tab 25 Exhibit A).

The grant proposal budgets were prepared prior to the cost of living adjustment for Sonoma County employees approved by your Board. We are in the early stages of discussions with CalOES to amend the grant budgets and align them with the current County staffing costs. Over the next few

months, FEMA is expected to conclude its review of the County's applications that CalOES has recommended for funding. Award notifications are anticipated no later than October 2019.

A complete list of the County's pending HMGP applications is included as Attachment A. Eight County departments and agencies submitted proposals. Several of the key projects are summarized here.

Permit Sonoma - Wildfire Adapted Sonoma County: Education and Incentives for a Safe and Resilient Sonoma County

The goal of this project is to mitigate wildfire risks to homes, lives and property in Sonoma County. Permit Sonoma's Fire Prevention Division will implement a program to assess the 100' of defensible space around the home and provide a recommendation for renovations to the home itself. The first phase of the project is to educate Sonoma County's Wildland Urban Interface Zone residents about the importance of defensible space and the principles of structural hardening through targeted events and outreach. Comprehensive community-wide Defensible Space Inspections and voluntary Wildland Urban Interface Zone structure evaluations will follow outreach. Assessing older homes that could be extremely at-risk due to structural elements that make them vulnerable to wildfire ignition is an essential component of the project. In Sonoma County, there are 27,286 structures in the Wildland Urban Interface Zone.

Fire Inspectors will assess defensible space around homes in the project area and provide site-specific reports to property owners. The County will then provide cost-share incentives to help property owners mitigate items of highest risk based on their inspection reports and funding availability. Defensible space recommendations must be implemented prior to the start of structural hardening renovations. Property owners must provide their 25% cost share for the project up front and agree to maintain the project for its useful life (e.g., 30 years). Program participants will be selected based on readiness to proceed. A technical advisory committee will rank order the projects to meet the number of buildings to be retrofitted within scope and budget. This County proof-of-concept program will provide about \$4.3 million in direct benefit to approximately 500 private property owners through implementation of defensible space and home hardening recommendations. The total cost of this project is \$6.7 million, of which 75% will be funded by the grant. Of the 25% local share required, the estimated General Fund need is \$750,000. Long-term maintenance costs for these retrofit projects will be the responsibility of the private property owner, not the County.

Department of Emergency Management – Sonoma County Fire Early Detection System and Rapid Warning System (Sirens)

The purpose of this program is improved early identification of fire ignition and targeted emergency response to assist the County and emergency officials in reducing risk and preventing damage that might otherwise occur. In order to prevent small fires from becoming catastrophic, Sonoma County is implementing a system for rapid detection and notification of impending fire. There are two grants awaiting federal approval for this effort. The total cost of these two projects is \$3.6 million, of which

75% will be funded by the grants. Of the 25% local share required, the estimated General Fund need is \$962,500.

1. Early Detection Fire Camera System. The Early Detection Fire Camera System will provide early detection of fires and precise locations that are immediately confirmed and dispatched to and confirmed within seconds to deploy fire fighters or other resources. Emergency managers will use this data to assess the degree of risk and view real time developments to provide early evacuation warnings to the public. Images from the cameras are posted publicly on the website www.alertwildfire.org.
2. Warning System (Sirens). For disaster threats, the more methods of alert and warning we have, the better our chances of alerting the community and allowing them to seek safety. The sirens project bolsters notification capability by providing an audible warning signal in places where other communication means have difficulty reaching even in ideal conditions. While siren use is not an optimal stand-alone system, the use of sirens to augment the telecommunications and media nets has the potential to help save many lives.

Transportation and Public Works– Generators

The purpose of the County’s hazard mitigation generator projects is to mitigate the effects of loss of function due to power interruption. Of particular importance are critical facilities whose continuous functioning sustains community resilience and readiness in the face of disaster and its negative effects. During the 2017 Sonoma County Tubbs fire, the Charles M. Schulz – Sonoma County Airport and the Santa Rosa Road Maintenance Yard experienced total power loss. The County will implement generator projects to reduce the risk of system failure in power outages at these key sites. The total cost of these two projects is \$730,000, of which 75% will be funded by the grant. There is no anticipated need for General Fund to cover local cost share.